

March 22, 2006

PERSONAL & CONFIDENTIAL

Mr. Ned Holland
Board Member
Kansas Health Policy Authority
900 SW Jackson St., Ste. 900
Topeka, KS 66612

Dear Ned:

Thank you for your willingness to visit about the need to locate a new **Executive Director** for **Kansas Health Policy Authority**. We trust you will find EFL Associates to be uniquely qualified to handle this assignment as we bring significant experience, leadership, credentials and capabilities as detailed in the information contained herein. You will be well served by experienced search consultants that offer their expertise to evaluate candidates and effectively manage the process to your satisfaction.

EFL ASSOCIATES

EFL Associates is a management consulting firm specializing solely and exclusively in executive search. Our organization offers **Kansas Health Policy Authority** the competitive advantage of a nationally recognized recruiting company, along with a demonstrated record of accomplishment of attracting quality and senior leadership to a variety of opportunities. Competitive intelligence suggests that EFL Associates is one of the leading search firms in the country, given that we rank in the Top 40 of the 2,000 national, retainer-based recruiting companies.

Our firm operates four offices (Kansas City, Denver, Chicago, and Boston), employs 16 consultants, and offers the strategic advantage of a full-time professional research staff to support search activities. In fact, evidence has shown that the clients of EFL Associates benefit from the expertise, control, and quality originating from an in-house research team in comparison to other firms that outsource this critical aspect of overall project management. In the enclosed brochure materials, you will find more information about our organization, including the profiles of our consultants and a list of professional references.

CREDENTIALS

EFL Associates offers many compelling reasons for you to select our firm to represent your organization in the market place as follows:

- **NATIONAL RECRUITING SCOPE** - EFL Associates has developed a national reputation with clients across the country while maintaining the “hands-on” responsiveness of a boutique firm. This responsiveness is accentuated by top-notch information technology resources, including our proprietary database with over 140,000 professional contacts/candidates. However, the principal foundation of any search conducted by EFL Associates relies upon *original* research to identify and network with top executives in a given industry or discipline.

In our history, we have completed over 2,000 search projects to encompass 42 states and 200 cities including: Atlanta, Chicago, Birmingham, Dallas, Denver, Des Moines, Ft. Worth, Houston, Kansas City, Los Angeles, Louisville, Minneapolis, Nashville, Oklahoma City, Palm Beach, St. Louis, Sacramento, Topeka, Tulsa, and Wichita. We clearly have the credibility and the capability to represent the interests and needs, if necessary, of **Kansas Health Policy Authority** in the national marketplace.

- **REGIONAL FIRM** - Based upon EFL Associates’ proximity to and intimate knowledge of the central plains states, our firm can effectively promote Topeka to prospective, national candidates. Accordingly, we firmly believe that our common, midwestern heritage is an invaluable asset in the recruiting process, whereby EFL Associates may possess a special “intuition” related to chemistry and fit considerations. More importantly though, our firm has successfully completed 36 search assignments in the Topeka region, translating into a solid predictor of success when it comes to your specific project.
- **EXPERTISE IN RECRUITING EXECUTIVES FOR NOT-FOR-PROFIT ORGANIZATIONS** – While EFL Associates is a generalist firm with expertise in virtually every industry and functional discipline; we clearly have significant experience in the not-for-profit arena to bring to the table. Please refer to the table below that highlights a few selected assignments for your examination.

- President - **Health Care Foundation of Greater Kansas City** (Kansas City)
- Executive Director – **The Toy and Miniature Museum of Kansas City** (Kansas City)
- President/CEO – **The Kansas City Zoo** (Kansas City)
- Science Advisory Committee Members (5) –**Kansas City Area Life Sciences Institute** (Kansas City)
- Executive Director – **REACH Foundation** (Johnson/Wyandotte Counties)
- President – **Kansas Bioscience Organization** (Topeka)
- Executive Director – **The Morris Animal Foundation** (Denver)
- President/CEO – **The American Royal Association** (Kansas City)
- CEO – **National Pork Board** (Des Moines)
- President – **American Humanics** (Kansas City)
- President – **The Children’s Museum of Denver** (Denver)
- President/CEO – **Enterprise Center of Johnson County** (Lenexa)

- President – **The Children’s Hospital Foundation** (Denver)
- Chief Executive Officer – **American Red Cross** (Kansas City)
- President – **The United Methodist Publishing House** (Nashville)
- President – **Chamber of Commerce of Greater Kansas City** (Kansas City)
- President - **Kansas Technology Enterprise Corporation** (Topeka)
- President –**Black Economic Union** (Kansas City)
- President/CEO – **Heartspring** (Wichita)
- President - **The Downtown Denver Partnership** (Denver)
- President – **American Angus Association** (St. Joseph)
- President – **Mile High United Way** (Denver)
- Executive Director – **The Women’s Foundation of Colorado** (Denver)
- President/CEO – **Kansas Children’s Services League** (Topeka & Wichita)
- President/CEO – **Sunflower House** (Kansas City)
- Executive Director – **Kansas City Neighborhood Alliance** (Kansas City)
- President/CEO – **Kansas City Metropolitan Crime Commission** (Kansas City)
- President/CEO – **Institute for Industrial & Applied Life Science** (St. Joseph, MO)
- President – **Convention and Visitors Bureau of Overland Park** (Overland Park)
- President/CEO – **Easter Seals Colorado** (Denver)
- Senior Vice President– **Model Cities Community Development Enterprise** (Kansas City)
- SVP of Business Growth and Member Connections – **Chamber of Commerce Greater Kansas City**
- Development Officer - **Linda Hall Library** (Kansas City)
- Vice President, Performance Improvement - **Child Health Corporation of America** (Kansas City)
- Director, National Center for Entrepreneurship Research – **Kauffman Foundation** (Kansas City)
- Chief Financial Officer – **Golf Course Superintendents Assoc. of America** (Lawrence, KS)

- **EXPERTISE IN HEALTHCARE** – As you can see from the partial listing below, we have also assisted many health care organizations develop their executive team. Please refer to the table below that highlights a few selected assignments for your examination.

- President & CEO – **North Kansas City Hospital** (Kansas City)
- Chief Financial Officer – **Blue Cross & Blue Shield of Nebraska** (Omaha)
- Executive Director/CEO – **Truman Medical Center** (Kansas City)
- Vice President-Managed Care – **St. Luke’s Health System** (Kansas City)
- President-Swope Health Services – **Swope Community Enterprises** (Kansas City)
- President – **The Rehabilitation Institute** (Kansas City)
- Vice President, Hospitality – **St. Luke’s Health System** (Kansas City)
- Sr. Executive Officer/CFO – **Kansas City Orthopedic Institute** (Kansas City)
- VP, General Counsel – **Carondelet Health System** (Kansas City)
- Executive Director – **Hospital Hill Health Services Corp.** (Kansas City)
- Vice President, Sales – **DST Health Systems** (Birmingham, AL)
- Director Strategic Business Services – **Child Health Corporation of America** (Kansas City)
- Director, Information Technology – **North Kansas City Hospital** (North Kansas City)
- Chief Financial Officer – **North Kansas City Hospital** (North Kansas City)
- Executive Vice President – **Argus Health System** (Kansas City)
- Director, Strategic Planning – **Children’s Mercy Hospital & Clinics** (Kansas City)
- President – **HealthCore Medical Solutions, Inc.** (Kansas City)
- Vice President-Marketing – **St. Luke’s Health System** (Kansas City)
- Vice President Operations – **North Kansas City Hospital** (North Kansas City)
- Vice President, Performance Improvement - **Child Health Corporation of America** (Kansas City)
- Business Director, Assistant to CEO – **University of Kansas Hospital** (Kansas City)

- **TRANSEARCH INTERNATIONAL LIMITED** - EFL Associates is affiliated with the worldwide network of TRANSEARCH International Limited (www.transearch.com), a consortium of independently owned executive search firms with operations in more than 50 cities on six continents. In the most recent listing issued by *Executive Recruiter News*, the TRANSEARCH system ranked as the 11th largest search organization in the world.
- **EFL ASSOCIATES' CLIENTS** - A sampling of clients served by EFL Associates includes: Agricredit Acceptance (Rabobank Netherlands), American Century Investments, Ash Grove Cement Company, Blue Cross Blue Shield of Nebraska, Birmingham Southern College, Brandon Furniture, Brown-Forman Corp., Capella University, Cessna Aircraft Company, Children's Mercy Hospital (KC), CoBank, ConAgra Foods, Delta Dental Plan of Colorado, Federal Home Loan Bank (Topeka & Des Moines), First Data Corporation/Western Union, Fort Dodge Animal Health, Great Plains Energy, Hallmark, H&R Block, Helzberg Diamonds, Holly Corporation, INTRUST Financial, Inergy, J.D. Edwards, Kansas Farm Bureau, Loyola University (Chicago), Northwestern Corporation (South Dakota), Payless ShoeSource, Premium Standard Farms, Russell Stover Candies, Seaboard Corporation, St. Luke's Health System, The Mercury Companies, The United Methodist Publishing House, TierOne Bank, Westar Energy, William Blair & Associates, and many others.
- **THE CONSULTANTS WHO MARKET THE WORK ARE THE ONES WHO COMPLETE THE WORK** - Avoiding an industry practice of passing service delivery to more junior staff members, you will be well-served by an experienced search consultant that offer expertise to evaluate candidates and effectively manage the process to your satisfaction. Noted below are the consultants that would handle the subject project.
 - **JASON M. MESCHKE'S PROFESSIONAL EXPERTISE** – Meschke's portfolio of successfully completed, senior-level search assignments has touched a variety of industries during his 14-year tenure in the executive search business. In addition, he clearly possesses a wealth of experience in the not-for-profit field. Prior to his work in executive search, Meschke's career notes over 11 years of experience in banking as a president of a community bank, senior lender (and part owner) of a *de novo* institution, plus several years of experience as a corporate loan officer for a \$20+ billion bank. With regard to community involvement, he has served in the past as Chairman of the Shawnee Mission Medical Center Foundation and presently serves on the boards of directors (and executive committee) of the University of Kansas School of Business (Chairman) and KCPT-Public Television (Chairman of the Nominating Committee). Furthermore, he previously served as a member of the board of directors of the St. Luke's Shawnee Mission Medical Group and of the St. Luke's Shawnee Mission Health System's Strategic Planning and Marketing Committee. Additional background is listed in the biographical sketch contained in the enclosed materials.
 - **MARTY ALBRIGHT'S PROFESSIONAL EXPERTISE** – Marty Albright has a strong record of successful executive search experience. She spent nearly 10

years in the Dallas office of Witt/Kieffer as a Consultant working exclusively on executive-level healthcare searches. She left Witt/Kieffer and joined EFL Associates in 2002 when she moved to Kansas City to be closer to her roots and her family in Wichita. Marty has participated in more than 150+ searches across the nation, including, chief executive officer, vice president, medical director, and director positions. Before becoming a search consultant, Marty enjoyed a successful 10-year career in Wichita as a geologist in the oil and gas industry, including the discovery of a 1.2 million barrel oil field in western Kansas. Marty supported herself while earning both her Bachelor of Arts degree in geology, as well as her MBA from Wichita State University.

FRAMEWORK FOR CONDUCTING THE SEARCH

To effectively manage the project, we will utilize the seven-step approach listed in our corporate brochure materials. EFL Associates will, of course, customize steps involved in our process to meet the particular requirements relating directly to your individual assignment.

The process will begin by creating a position description for the role, in concert with the key constituents within the organization to gain a thorough understanding of philosophy and objectives. Our efforts will require extensive, original research for the purpose of identifying a solid list of possible candidates and/or referral sources for the project.

Candidates, once identified from the above research and networking activities, would be contacted discreetly and professionally to solicit interest and to thoroughly evaluate their qualifications. A manageable list of “potential candidates” would be reviewed with you within a 30-45 day time frame, following initiation of the project. Thereafter, EFL Associates will interview, in person, a select roster of the best possibilities for the purpose of determining a shorter list of “most suitable” candidates. You would then be provided complete candidate summaries of individuals interviewed by us and found to be appropriately qualified for the position. Candidate presentations would, however, continue to be supplied until such time as your organization employs the “best” candidate for the role.

In today’s market, the due diligence process is critical for a successful end result. Once a candidate grouping has been narrowed to two or three finalists, EFL Associates will initiate in-depth reference checks (e.g., supervisors, peers, and/or subordinates) and provide detailed written summaries related thereto. Furthermore, our firm will coordinate the completion of a full background investigation including credit report, motor vehicle record, sexual predator listing, and criminal checks on any candidate that will be issued an offer.

PROFESSIONAL FEES

Our standard professional fees are calculated at 33-1/3% of the successful candidate’s annual assured cash compensation (base salary, any sign-on bonus or guaranteed portion of the performance bonus). However, we have historically abided by a practice of quoting a “discounted” flat fee for projects in the not-for-profit sector for the dual purpose of contributing to the community at large while enjoying the benefits of a successfully concluded

assignment. At this point in our discussions, **EFL Associates would be willing to quote a “not-to-exceed” professional fee of \$25,000.**

Procedurally, your company will be billed on a retainer basis during the course of the assignment. This total anticipated fee will be invoiced in three, equal monthly installments; beginning at commencement of the project.

Incidental, out-of-pocket expenses for this search will be billed at the rate of \$525 per month, for the first four months and will cover expenses such as long-distance telephone charges, fax, delivery services, copies, postage, etc. Billed separately will be any travel costs, approved by you, for the purposes of interviewing candidates as well as candidate travel expenses incurred as part of their consideration; videoconferencing charges; any required/requested advertising charges; as well as background investigation charges.

Should, for any reason, additional candidates become employed by your company or its affiliates as a result of our efforts on this assignment, our professional fee will be 25% of the first year's total, assured cash compensation.

ANTICIPATED TIME FRAME

The process of identifying and presenting several quality candidates for an individual assignment normally spans a 30- to 45-day time frame. Our firm will conduct a face-to-face meeting with you at that point to discuss findings, submit candidates, point out potential problems we might be encountering, and continuously refocus our strategy for a successful result. On an ongoing basis, we will provide updates as needed or requested. Additionally, you should anticipate an entire project would be successfully concluded within a 90-to 120-day period. The following timeline graphically depicts this process.

Task	Week												
	1	2	3	4	5	6	7	8	9	10	11	12	13
Project Start Date	◆												
Candidate Identification													
Client Review						◆							
Initial Client Interviews													
Identify Finalist Candidates								◆					
Final Interviews													
Finalist Identification											◆		
Offer Negotiations													
Project End Date													◆

STANDARDS OF PROFESSIONALISM, GUARANTEES AND CANCELLATION

EFL Associates is a member of the Association of Executive Search Consultants and fully subscribes to its Code of Ethics and Professional Practice Guidelines. We will not recruit any person from **Kansas Health Policy Authority** for a period of two years after completion of

this or any future assignment. More importantly, we further agree never to recruit any executive who is hired by the company through the direct efforts of EFL Associates.

With respect to project guarantees, no guarantee is made that this project will be completed successfully within a defined time frame; however, as long as your need continues to exist, our efforts and resources will be geared to satisfying that need. Upon hiring a successful candidate, EFL Associates' commitment is to guarantee continued employment of an individual for *six months* (based upon the flat fee arrangement), or we will replace that person on an expenses-only basis unless the candidate's departure has been caused by significant changes in ownership, reporting structure, responsibility or factors beyond the control of the individual or the search.

Should a project be canceled for any reason, you would be obligated to pay only for those retainers billed and expenses incurred up to the date of cancellation.

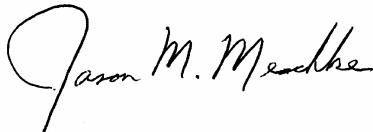
AFFIRMATIVE ACTION AND COMPLIANCE

EFL Associates firmly supports the principle and philosophy of equal opportunity for all individuals, regardless of age, race, gender, creed, national origin, physical or mental handicap, disabled veteran, or veteran of the Vietnam era and any other protected category pursuant to applicable federal, state or local law.

SUMMARY

Thank you for the opportunity to present this information. EFL Associates has the internal resources, the track record of accomplishment, and the professional expertise necessary to be successful on your behalf. In turn, we are certain you will be pleased with not only the quality, dedication and professionalism of our firm, which will become apparent throughout the process, but also with the strong results orientation we always bring to the table. Thanks again for your genuine interest in EFL Associates. We look forward to hearing from you soon.

Sincerely,

A handwritten signature in black ink that reads "Jason M. Meschke". The signature is fluid and cursive, with the first letters of each word being capitalized and prominent.

Jason M. Meschke
President

Enclosures